GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5926
ANSWERED ON:31.08.2001
SUGAR DEVELOPMENT FUND
MADAN PRASAD JAISWAL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Sugar Development Fund was created in 1989, alongwith a levy of Central Cess of Rs. 140/- per tonne to its credit;

(b) if so, the credit balance of this fund during 2000-2001;

(c) the purpose for which the fund was created;

(d) whether the funds are being used for those purposes; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): The Sugar Development Fund was formed under the provisions of the Sugar Development fund (SDF) Act, 1982 promulgated on 20.3.1982, by crediting to the Fund an amount equivalent to the proceeds of the duty of excise levied and collected under the Sugar Cess Act, 1982, reduced by the cost of collection as determined by the Central Government after due appropriation made by Parliament by law. The duty of excise levied under the Sugar Cess Act, 1982 was Rs. 5.00 per quintal w.e.f 20.3.1982 which was enhanced to Rs.14.00 per quintal w.e.f. 29.10.1982 on all sugar produced by any sugar factory in India.

(b): Net fund available in Sugar Development Fund i.e. SDF (excluding repayment of principal amount and interest thereon) as on 31.03.2001 was Rs. 605.16 crores. In addition as on 31.03.2001 an amount of Rs. 627.76 crores has been repaid by the sugar units (as principal and interest) on the loan given to them. Therefore, the total fund available in the SDF as on31.03.2001 is Rs. 1232.92 crores.

(c): The Sugar Development Fund Act, 1982 provides that the Fund shall be applied for by the Central Government for the following purposes:

(a) Making loans for facilitating the rehabilitation and modernization of any sugar factory;

(b) Making loans for the undertaking of any scheme for development of sugarcane in the area in which any sugar factory is situated.

(c) Making grants for the purpose of any research project aimed at development of sugar industry.

(d) Defraying expenditure for the purpose of building up and maintenance of Buffer Stock with a view to stabilizing price of sugar.

(e) Defraying any other expenditure for the purpose of the Act.

(d) & (e): The funds are being utilized for the purpose specified in the Sugar DevelopmentFund Act, 1982. An expenditure of Rs. 1917.69 crores has been incurred on the above mentioned Heads since the inception of the Sugar Development Fund and upto 31.3.2001.